

**THE FEDERAL TAX OMBUDSMAN  
ISLAMABAD**

**Review Petition**

Dated: 10.09.2026\* HQs Islamabad

in

**Complaint Nos. 11684,11500,11692,12346 & 12349/KHI/CUST/2026**

**Mr. Muhammad Ishtiaq,**  
Shop-17 Faisal Bank BLK 2,  
Karachi.

...Petitioner

**V e r s u s**

**The Secretary,**  
Revenue Division,  
Islamabad.

...Respondent

|                             |                                                                              |
|-----------------------------|------------------------------------------------------------------------------|
| Dealing Officer             | : Mr. Gul Rehman, Advisor                                                    |
| Authorized Representative   | : Mr. Mian Sabeeh Ullah, Advocate                                            |
| Departmental Representative | : Mr. Azhar Hussain Merchant, Collector<br>CoC, Appraisement (West), Karachi |
| Date of hearing(s)          | : 14.10.2026                                                                 |

**ORDER-IN-REVIEW**

The above-mentioned review petitions have been filed by the Complainants, under Section 14(8) of the Federal Tax Ombudsman Ordinance (FTO Ordinance), 2000, against the consolidated Findings/Recommendations dated 21.08.2026 passed in Complaint Nos. 11684, 11500, 11692, 12346 and 12349/KHI/CUST/2026.

2. The above complaints concerned allegations of delay in grounding and examination of imported consignments and disappearance/pilferage of goods during the Customs clearance process at Karachi. In Complaint No. 11684/2026, the complainant alleged shortage of 200 mobile LCD panels from the consignment covered by GD No. KAPW-HC-52855 dated 20.09.2025, Container No. YMLU8934492. The complainant sought

\* Date of registration in FTO Sect.

examination of CCTV footage of the terminal and an inquiry for fixing responsibility for the alleged loss.

3. After hearing the AR and DR on 21.07.2026, the Forum recorded that the allegations of pilferage of goods and involvement of Customs officials were not established on the material produced. At the same time, examination of the GDs involved in these five complaints disclosed additional duties and taxes of Rs.14.301 million over the amounts paid upfront. The Forum also referred to the clearance profile of the Customs Clearing Agent for January 2025 to June 2026, comprising 361 GDs, and drew attention to differences between self-assessed and finally assessed duties and taxes and the need for improved departmental controls.

4. In the Findings/Recommendations dated 21.08.2026, the Forum, inter alia, recommended at paragraph 18(i)(a) that the Collectorate decide the issue of delay/detention certificates where grounding delay was attributable to the Terminal Operator. Paragraph 18(i)(b), which is directly under challenge in review, reads as follows:

*"initiate action against the Complainant who is a licensed clearing agent under Customs Agents Licensing Rules for, prima facie, making false accusations of theft and pilferage of goods by the Customs without any supporting evidence. This has to be without prejudice to what has been stated at preceding paras because that applies 'mutatis mutandis' to all violators of law and procedures. The Complainant be given proper opportunity of personal hearing to prove his accusation/allegations with convincing evidence;"*

5. The remaining recommendations at paragraph 18(i)(c), 18(ii) and 18(iii) concerned analysis of Customs declaration data, identification of systemic weaknesses, improvements in monitoring and enforcement,



professional data analysis and consideration of amendments to the Customs Agents Licensing Rules.

6. Grounds of the Review Petition are summarized below:

- i. The petitioner has contended that the Forum travelled beyond the subject matter of the complaints by examining the clearing agent's historical GD profile and describing the difference between upfront and assessed duties/taxes as attempted evasion. According to him, determination of tax liability, fiscal fraud or any offence under the Customs Act, 1969 falls within the jurisdiction of the competent statutory authorities.
- ii. It has been urged that the observations based on **Annexures A and B** and the direction for action against the clearing agent were recorded without confronting the petitioner with the underlying data and without an independent determination of his personal role, thereby offending the requirements of fair hearing and due process.
- iii. The petitioner has asserted that the Customs Agent acts on the documents provided by the importer and that assessment variations do not, by themselves, establish professional misconduct or knowledge of any misdeclaration. Reliance has also been placed on Section 209 of the Customs Act, 1969.
- iv. The petitioner has reiterated that CCTV footage was not called for and that his original grievance regarding alleged pilferage remained unredressed. He has sought recall of the impugned Findings, expunction of Annexures A and B, withdrawal of adverse observations and the direction concerning his clearing-agent licence.

7. The Collectorate of Customs, Appraisement (West), Karachi, submitted comments dated 18.09.2026 opposing the Review Petition. It





was maintained that the clearance-profile data was examined to identify the administrative context of repeated allegations and systemic weaknesses and that the Forum had neither assessed any fresh duty/tax liability nor passed any order of confiscation or penalty. The Department further stated that proceedings, if any, under the Customs Agents Licensing Rules were to be undertaken by the competent authority after affording an opportunity of hearing. Additional data and comments were also placed on record by the Collectorate.

8. The petitioner submitted a rejoinder on 25.09.2026, reiterating his objections to the reliance upon historical GD data, the adverse remarks concerning his professional conduct and the non-production of CCTV footage.

9. The Collectorate also furnished an implementation report dated 26.09.2026, stating that Delay and Detention Certificates (DDC) had been issued pursuant to paragraph 18(i)(a). The departmental letter dated 05.09.2026 addressed to M/s Karachi International Container Terminal Limited (KICT) identified grounding delays in the concerned complaints, including four (4) days in Complaint No. 11684/2026, and allowed waiver of demurrage and detention charges for the identified periods. The material placed on record establishes the issuance of the departmental directions; actual compliance by the Terminal Operator has not been independently evidenced in these review proceedings.

10. The Review Petition was heard on 14.10.2026. During the hearing, the DR submitted that it would abide by the decision of the Forum and extend necessary facilitation for its implementation.

### **FINDINGS:**

11. The record of the original complaints, grounds of review, departmental comments, rejoinder and the subsequent material have

been examined. The statutory mandate of this Forum to investigate maladministration and recommend corrective and systemic measures is not confined to an examination of isolated symptoms. Relevant clearance data may be considered for identifying causes of recurring deficiencies in departmental processes. Such examination, however, is distinct from assessment or adjudication of duty/tax liability and from a determination of fiscal fraud or professional misconduct, which fall to be dealt with by the competent authorities under the applicable law.

12. The figures appearing in the impugned Findings and Annexures A and B reflect differences between duties/taxes paid upfront and amounts finally determined or paid after assessment. The said differences warrant examination for the purposes of identifying underlying causes and possible weaknesses in controls. They cannot, without examination of the individual GDs and the relevant legal and factual position, be treated as conclusive proof that a particular Clearing Agent or importer committed an offence or was personally involved in deliberate duty/tax evasion.

13. A licensed Customs Agent has obligations under the Customs Agents Licensing Rules, including the requirements of due diligence in the filing of declarations and documents. Equally, the respective roles and responsibilities of the importer and the agent, and the circumstances of each declaration, require independent examination. Neither the mere filing of complaints nor the occurrence of additional assessment establishes professional misconduct on the part of the agent. Conversely, rejection of the allegations of pilferage does not confer immunity from action otherwise warranted under the Customs law.

14. In this background, the observations in the Findings dated 21.08.2026 which attribute a "pressure technique" to the complainant, describe the Clearing Agent and importers as "partner in evasion/crime",





or convey a concluded determination of deliberate attempted evasion or mala fide conduct against the petitioner, require reconsideration. Such generalized conclusions are not necessary for the decision of the particular allegations of maladministration and shall not be treated as conclusive findings of personal culpability. The underlying clearance data shall, however, remain available for lawful examination by the competent departmental authorities.

15. Paragraph 18(i)(b) of the Findings/Recommendations dated 21.08.2026 shall, therefore, stand modified and confined to the following extent:

*“The competent Customs licensing authority may independently examine, on a Goods Declaration-wise basis, whether the conduct of the concerned licensed Customs Agent, in the light of the relevant declarations, documents and other material lawfully available, discloses any violation of the Customs Agents Licensing Rules. If proceedings are considered warranted, the same shall be initiated and decided by the competent authority in accordance with law, after due notice and reasonable opportunity of hearing. No finding of professional misconduct or predetermined liability or penalty is recorded by this Forum.”*

16. As regards the allegation of missing goods, the finding in the original order that pilferage or connivance of Customs officials was not established on the available record does not call for interference in review. The petitioner's demand for CCTV footage, or the absence of such footage on the record, does not by itself establish the occurrence of theft at the terminal or its attribution to any Customs official. Before demanding CCTV footage from the Terminal Operator, the complainant did not discharge his responsibility to present CCTV footage on his part as to how and in whose



presence, it was found that items were missing/stolen. There are elaborate findings on this count in the impugned decision (para 2, 4 & 5 (i)). The Findings/ Recommendations dated 21.08.2026 has accordingly addressed this matter. Accordingly, the original conclusion on this point is, therefore, maintained.

17. The relief recommended at paragraph 18(i)(a) concerning grounding delays and delay/detention certificates likewise does not call for modification. The implementation report submitted by the Collectorate shall be dealt with in the compliance proceedings. The Department's communication to the Terminal Operator cannot, in the absence of further evidence, be treated in these review proceedings as proof that the Terminal Operator has actually effected the waiver.

18. Similarly, the recommendations at paragraphs 18(i)(c), 18(ii) and 18(iii) concerning analysis of declaration data, strengthening of departmental controls and possible changes in the licensing framework are systemic in nature and do not impose a final fiscal or penal liability upon the petitioner. These recommendations remain operative, subject to action by the competent authorities in accordance with law.

19. For the foregoing reasons, the instant Review Petition is partly allowed. The consolidated Findings/Recommendations dated 21.08.2026 stand modified to the following extent:

- (i) The finding that allegations of disappearance/pilferage of goods and connivance of Customs officials were not established on the available record is maintained.
- (ii) The generalized adverse observations concerning the petitioner and the importers, to the extent they convey a concluded determination of deliberate evasion, crime, mala



fide conduct or abuse of the Forum, are withdrawn/confined in terms of paragraphs 12 to 14 above.

- (iii) Paragraph 18(i)(b) is modified in terms of paragraph 15 above. The competent licensing authority may examine the professional conduct of the Customs Clearing Agent independently, GD-wise, under the applicable Customs Rules and in accordance with due process.
- (iv) **Annexures A and B** and the related assessment data may be used for lawful analysis or examination by the competent authorities but shall not be treated, by themselves, as conclusive proof of professional misconduct, fiscal fraud or personal culpability.
- (v) The recommendation at paragraph 18(i)(a) relating to delay/detention certificates and the systemic recommendations at paragraphs 18(i)(c), 18(ii) and 18(iii) remain operative. Their compliance shall be examined separately in accordance with law.
- (vi) Except to the extent expressly modified above, the remaining Findings/Recommendations dated 21.08.2026 shall remain undisturbed.

20. The Review Petition in Complaint Nos. 11684, 11500, 11692, 12346 and 12349/KHI/CUST/2026 stands disposed of in the above terms.

Dated:

16 OCT 2026

(M. Zafar ul Haq Hijazi)  
Federal Tax Ombudsman